



# House of Representatives

General Assembly

**File No. 612**

February Session, 2016

Substitute House Bill No. 5626

*House of Representatives, April 14, 2016*

The Committee on Finance, Revenue and Bonding reported through REP. BERGER of the 73rd Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

## ***AN ACT CONCERNING THE EARNED INCOME TAX CREDIT.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1      Section 1. (*Effective October 1, 2016*) The Department of Revenue  
2      Services shall study the earned income amount requirements for  
3      earned income tax credit eligibility pursuant to Section 32 of the  
4      Internal Revenue Code, as defined in section 12-701 of the general  
5      statutes, incorporated by reference into section 12-704e of the general  
6      statutes, and the impact of such income requirements on premature  
7      termination of employment by recipients of such credit seeking to  
8      maintain eligibility for the credit. Not later than January 1, 2017, the  
9      department shall report on such study, in accordance with the  
10     provisions of section 11-4a of the general statutes, to the joint standing  
11     committee of the General Assembly having cognizance of matters  
12     relating to finance, revenue and bonding. Such report shall include  
13     recommendations for (1) a graduated schedule that will allow those  
14     receiving the credit to remain eligible for such credit upon small

15 increases in pay, (2) monthly distribution of any refund, in lieu of the  
16 current lump sum annual refund provided for in subsection (b) of  
17 section 12-704e of the general statutes, of a personal income tax  
18 overpayment resulting from the application of the earned income tax  
19 credit, and (3) a schedule for such monthly distribution where such  
20 refund decreases as pay increases in a manner that does not reduce the  
21 employee's monthly income.

This act shall take effect as follows and shall amend the following sections:

|           |                 |             |
|-----------|-----------------|-------------|
| Section 1 | October 1, 2016 | New section |
|-----------|-----------------|-------------|

***Statement of Legislative Commissioners:***

For the purpose of ensuring accuracy "income requirements" was changed to "earned income amount requirements" and the reference to Section 32 of the Internal Revenue Code, as defined in section 12-701 of the general statutes, was added.

***FIN***      *Joint Favorable Subst. -LCO*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

***OFA Fiscal Note***

***State Impact:*** None

***Municipal Impact:*** None

***Explanation***

The bill, which requires the Department of Revenue Services to conduct a study of various aspects of the Earned Income Tax Credit, has no fiscal impact since it is not anticipated the study would require contracted expertise or overtime expenditures.

***The Out Years***

***State Impact:*** None

***Municipal Impact:*** None

**OLR Bill Analysis**

**HB 5626**

***AN ACT CONCERNING THE EARNED INCOME TAX CREDIT.***

**SUMMARY:**

The Office of Legislative Research does not analyze Special Acts.

**COMMITTEE ACTION**

Finance, Revenue and Bonding Committee

Joint Favorable

Yea 44 Nay 0 (03/24/2016)